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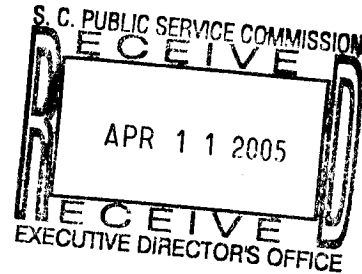
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AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

April 7, 2005

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211



RE: Application of Carolina Water Service, Inc. for adjustment of rates and charges for the provision of water and sewer service and modification of rate schedules; Docket No. 2004-357-WS

Dear Mr. Terreni:

Enclosed for filing please find the original and two (2) copies of Carolina Water Service, Inc.'s Supplemental Responses to Office of Regulatory Staff's First Continuing Data Request in the above-referenced matter. By copy of this letter, I am serving counsel for the Office of Regulatory Staff with a copy of same and enclose a certificate of service to that effect.

I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me in the envelope provided.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.


John M.S. Hoefer

JMSH/twb

Enclosures

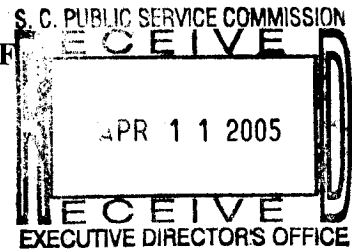
cc: C. Lessie Hammonds, Esquire
Florence P. Belser, Esquire

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2004-357-W/S



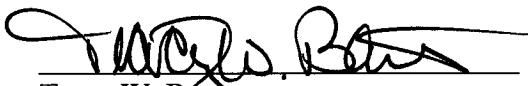
IN RE:

Application of Carolina Water Service,
Inc. for adjustment of rates and charges
and modification of certain terms and
conditions for the provision of water and
sewer service.

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of Carolina Water Service, Inc.'s Supplemental Responses to Office of Regulatory Staff's First Continuing Data Request by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Florence P. Belser, Esquire
C. Lessie Hammonds, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

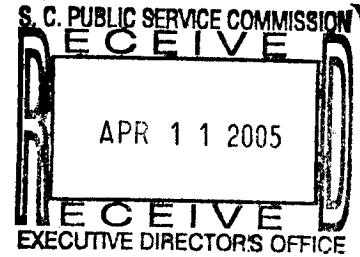

Tracy W. Barnes

Columbia, South Carolina
This 7th day of April, 2005.

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S



IN RE:)
)
Application of Carolina Water Service,)
Inc. for adjustment of rates and charges)
and modification of certain terms and)
conditions for the provision of water and)
sewer service.)
_____)

**SUPPLEMENTAL RESPONSES TO
OFFICE OF REGULATORY STAFF'S
FIRST CONTINUING DATA REQUEST**

TO: THE OFFICE OF REGULATORY STAFF AND ITS ATTORNEYS, FLORENCE P. BELSER, ESQUIRE AND C. LESSIE HAMMONDS, ESQUIRE

Carolina Water Service, Inc., ("Applicant" of "Company") supplements its answers to the February 23, 2005, First Continuing Data Request of the Office of Regulatory Staff ("ORS") as follows:

In setting forth its answers, Applicant does not waive any attorney/client, work product, or other privilege which may attach to information called for in, or which may be responsive to, these interrogatories. Applicant does not concede the relevance or materiality of these interrogatories or documents produced in response to same. Applicant reserves the right to question the competency, relevancy, materiality, and admissibility of any information or document provided herewith, and the right to revise, correct, supplement or clarify same. The above objections and privileges are asserted in the response to each interrogatory as if set forth verbatim at the beginning of each response. Where no response has been given, Applicant has been unable to respond within the time requested for response and submits that additional time is warranted given the nature, complexity and quantity of information sought and the scheduled hearing date. See Vol. 26 S.C. Code Ann. Regs. R. 103-804(X)(3) (1976). Responses to requests not provided hereby will be provided as soon as the Company is able to do so.

- 1.20 Provide details and documentation regarding any DHEC fines. If there are any, for what reasons and in what amounts were the fines issued? Provide a copy of the orders dictating the fines. Does Carolina Water Service, Inc. have any outstanding noted violations by DHEC? If so, what are they and provide a copy of the documentation by DHEC that outlines these potential violations.**

Answer: The Company objects to this request on the ground the information sought is not relevant nor likely to lead to the discovery of admissible evidence and that it is overly

3/15/05

broad since it does not specify any time period for which the information is requested. Subject to that objection, the Company further states that it does not, by the instant application, intend to include any such fines in allowable expenses. Also subject to that objection, the Company has previously provided to ORS Staff copies of orders responsive to this request. The Company is in receipt of the attached notice of alleged violation from DHEC.

1.61 Please provide the amount of water pumped, purchased, and sold by the company for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004.

Answer: The Company objects to this request to the extent it seeks information for years prior to 2002 on the ground that information sought for that period is not relevant nor likely to lead to the discovery of admissible evidence. The number of gallons sold for the years ended June 30, 2002 and June 30, 2003 is 430,050,000 and 463,640,000, respectively. The number of gallons sold for the test period was provided to the ORS Staff during the course of its business compliance audit. Below please find the other requested information.

1.	<u>Pumped</u>	<u>Purchased</u>
7/1/03 – 6/30/04	112,101,016	460,755,950
7/1/02 – 6/30/03	109,670,830	396,478,765
7/1/01 – 6/30/02	102,371,414	419,188,850

2.	<u>Treated</u>
7/1/03 – 6/30/04	748,318,700
7/1/02 – 6/30/03	833,841,200
7/1/01 – 6/30/02	679,471,700

[SIGNATURE PAGE FOLLOWS]

3/25/04/Hub

John M. S. Hoefel

John M. S. Hoefel

WILLOUGHBY & HOEFER, P.A.

1022 Calhoun Street, Suite 302

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

with express
permission
SWB

Attorneys for Applicant

Columbia, South Carolina
This 7th day of April, 2005.

Response to Request 1.20

**STATE OF SOUTH CAROLINA
BEFORE THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL.**

**IN RE: CAROLINA WATER SERVICES, INC.
WATERGATE DEVELOPMENT
LEXINGTON COUNTY**

NOTICE OF ALLEGED VIOLATION/NOTICE OF ENFORCEMENT CONFERENCE

Carolina Water Services, Inc. (Respondent) IS HEREBY NOTIFIED that an enforcement conference has been scheduled for ~~Friday~~^{Tuesday}, April 12, 2005, at 1:00pm in room 4380, Aycock Building (Sherer Room), 2600 Bull Street, Columbia, South Carolina. Representatives of the Respondent have the opportunity to be present at this conference to discuss the alleged violations of the Pollution Control Act cited herein.

Representatives of the Respondent may be accompanied at the conference by legal and/or technical counsel. The possibility of a Consent Order may be discussed.

This Notice is based upon the attached findings of the Department:

1. Carolina Water Services, Inc. (Respondent) is responsible for the proper operation and maintenance of a wastewater treatment facility (WWTF) (Site) and wastewater collection system (WWCS) serving the residents of the Watergate Development located in Lexington County, South Carolina.
2. The South Carolina Department of Health and Environmental Control (Department) issued National Pollutant Discharge Elimination System (NPDES) Permit SC0027162, effective December 1, 2003, to operate and maintain a WWTF and authorizing the Respondent to discharge treated wastewater into the Saluda River in accordance with the effluent limitations, monitoring requirements and other conditions set forth therein.
3. On April 26, 2004, a complainant from Indian Creek Trail stated that water was leaving the WWTF and flowing into a storm drain. Department staff met with the plant operator later that morning and noted that water had ponded on the facility grounds. The backwash control

panel had malfunctioned and the operator had requested that the Respondent repair or replace the control panel. Odors were noticed at the plant. The scrubber was not operating due to an equipment failure and had not been operating for about 3 weeks. The equalization (EQ) basin cover had a large hole in it and Department staff requested that the cover be repaired or replaced.

4. On May 12, 2004, Department staff performed a facility evaluation inspection (FEI). Odors were present, but only at the high part of the plant. The scrubber was working but the temporary tarp had fallen into the EQ basin.
5. On May 19, 2004, Department staff contacted the Respondent about not receiving a sanitary sewer overflow (SSO) report for the incident on April 26, 2004 and requested that the report be faxed to the Department. The report has never been received by the Department.
6. On July 14, 2004, there was a complaint of a bad odor coming from the WWTF. The operator said that the tarp on the EQ basin was ripped and had fallen into the basin. The air scrubber was working, and the control panel for the backwash system was still being repaired and backwashing was being performed manually.
7. On August 22, 2004, a complainant reported to the Department that the WWTF had released about two thousand (2,000) gallons of treated effluent into a storm drain that empties into Lake Murray. Department staff learned that it came from the backwash pit. An overflow had occurred as a result of the backwash being performed during a peak time. The SSO report was sent in on time.
8. On September 30, 2004, the Department conducted a compliance evaluation inspection (CEI) at the Site. Unsatisfactory ratings were given for incorrect reporting on the discharge

monitoring report (DMR) for flow measurements and number of exceptions; for the facility site due to lime and sludge on the ground leading to two (2) storm drainage basins; and operation and maintenance was unsatisfactory due to the EQ basin not being operated as required in the permit. On November 3, 2004, the Department received a response to the CEI where the deficiencies were addressed.

9. On January 10, 2005, a complainant from Indian Trail Court, reported a bad odor coming from the WWTF and the Respondent was not responding to their calls. Department staff spoke with the operator about the odors that were occurring in the morning and at night and about replacing the damaged cover on the EQ basin.
10. On January 13, 2005, Department staff called the operator and requested that a copy of their Odor Abatement Plan be submitted to the Department's district office for review. The Department also requested dissolved oxygen (DO) and pH parameters from the EQ basin and digester since the main blower had not been working for about three (3) weeks and the alternate blower was not aerating efficiently.
11. On February 8, 2005, a complainant from Indian Trail Court called the Department, as they had been previously instructed, about a bad odor problem, and the Department called the operator to report the problem.

From the attached findings, the Department alleges that the Respondent has violated the Pollution Control Act as follows:

1. The Respondent violated the Pollution Control Act, S.C. Code Ann. § 48-1-110 (d) (2004), and Water Pollution Control Permits, 24 S.C. Code Ann Regs. 61-9.122.41(e)(Supp. 2004) in that it failed to, at all times, properly operate and

maintain in good working order, all waste treatment systems in accordance with the permit issued by the South Carolina Department of Health and Environmental Control (Department).

The Respondent IS FURTHER NOTIFIED that failure to attend the scheduled enforcement conference may result in the issuance of an Administrative Order without your consent. Such an Order may contain the above findings and may impose monetary penalties.

This Notice is made pursuant to the Pollution Control Act, S.C. Code Ann. § 48-1-50 (1987) and S.C. Code Ann. § 48-1-330 (1987), which authorize the Department to issue Orders and assess monetary penalties.

A handwritten signature in black ink, appearing to read 'Carl Zwerling', is written over a horizontal line.

Carl Zwerling
Water Enforcement Division
Bureau of Water